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Spain

Canned Deciduous Fruit

Annual

2004

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Report Highlights:

Lower production of fresh peaches and pears and higher production of canned peaches and pears in Greece and Italy will result in a drop of exports in MY 2004/05. Exports of both canned peaches and canned pears to the U.S. will decline again in MY 2004/05.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Madrid [SP1]
[SP]

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Executive Summary

Canned Peaches

The forecast indicates a reduction in CY 2004 peach crop. See report SP4020. This shorter crop is resulting in a drop of peaches available for processing. No penalties on subsidies have been set due to over production in MY 2004/05.

We forecast that exports of canned peaches will drop in MY 2004/05 due to:

- better production in EU competitor countries, mainly in Greece;
- lower production of canned peaches in domestic market;
- exports to the U.S. market declined because of the strength of the euro.

On the other hand, imports could rise due to increases in production in competitor EU countries. EU subsidies prevent exports of U.S canned peaches into the Spanish market.

Canned Pears

Official statistics indicates a reduction in CY 2005 pear crop. See report SP 4020.

Output of the *Williams* variety - the main one used for processing- declined to about 38,960 tons, from 48,213 because of a return to more normal yields.

We forecast a marginal drop in exports of canned pear in MY 2004/05 due to a drop in production and reduced exports to the U.S. market due to the strength of the euro.

EU subsidies for canned pears declined from 158 euros per ton in MY 2003/04 to 130.09 per ton in MY 2004/05.

Note: Current exchange rate: 1 euro = \$1.22

Production-Canned Peaches

PSD Table

Country	Spain						
Commodity	Peaches, Canned						(MT)(MT, Net Weight)
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin	06/2002			06/2003		06/2004	MM/YYYY
Deliv. To Processors	136657	136657	155000	167932	155000	140000	(MT)
Beginning Stocks	5038	3833	2468	1000	5468	16312	(MT, Net Weight)
Production	150322	150322	170500	184712	165000	154000	(MT, Net Weight)
Imports	5034	4979	4000	4600	4000	6000	(MT, Net Weight)
TOTAL SUPPLY	160394	159134	176968	190312	174468	176312	(MT, Net Weight)
Exports	88926	87703	103500	102000	95000	95000	(MT, Net Weight)
Domestic Consumption	69000	70431	68000	72000	69000	72000	(MT, Net Weight)
Ending Stocks	2468	1000	5468	16312	10468	9312	(MT, Net Weight)
TOTAL DISTRIBUTION	160394	159134	176968	190312	174468	176312	(MT, Net Weight)

Encouraged by EU subsidies, canned peach production rose to a new record in MY 2003/04.

Canned Peaches Production

Year	1999/00	2000/01	2001/02	2002/03	2003/04	2004 Forecast
Production	182,000	143,000	125,000	159,134	184,712	154,000

Consumption-Canned Peaches

Year	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05 Forecast
Consumption	104,900	75,400	71,000	70,431	72,000	72,000

Trade of Canned Peaches

Import Trade Matrix

Country Spain

Commodity Peaches, Canned

Forecast

Time Period	MY/Jun/M	Units:	Metric Tons	
Imports for:	2001		2002	2003
U.S.	0	U.S.	0	0
Others		Others		
Italy	439		2069	2300
Greece	479		1029	200
Portugal	538		770	900
South Africa	484		504	600
Germany	481		353	350
France	878		132	200
Total for Others	3299		4857	4550
Others not Listed	62		122	100
Grand Total	3361		4979	4650

Export Trade Matrix

Country Spain

Commodity Peaches, Canned

Forecast

Time Period	MY/Jun/Ma	Units:	Metric Tons	
Exports for:	2001		2002	2003
U.S.	8779	U.S.	4223	1200
Others		Others		
France	11160		16108	19000
Germany	9513		14530	21000
Portugal	9738		9917	10000
Mexico	9054		7940	3500
Italy	410		4443	8000
UK	6158		3917	12000
Saudi Arabia	75		2746	3000
Korea, South	1459		2561	1500
Total for Others	47567		62162	78000
Others not Listed			21318	23000
Grand Total	56346		87703	102200

Policy-Canned Peaches

	Spanish Processing threshold (Tons)	Aid for processing (euros/ton)	Penalties	Price for processing peaches (euros/ton)	Total payment received by farmers
MY2004/05	180,794	47.70	0	240	287.7
MY2003/04	180,794	47.70	0	320	367.7

High ending stocks resulted in a drop in the price of peaches for processing. No penalties are expected again during MY 2005/06.

Marketing-Canned Peaches

No opportunities for the U.S. peaches in the Spanish market due low domestic prices resulting from EU subsidies.

Production-Canned Pears

PSD Table

Country	Spain						
Commodity	Pears, Canned						(MT)(MT, Net Weight)
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [D]	USDA Official [	Estimate [D]	USDA Official [	Estimate [New]	
Market Year Begin	06/2002		06/2003		06/2004		MM/YYYY
Deliv. To Processors	37731	37731	44922	45753		36500	(MT)
Beginning Stocks	12600	12600	13481	13481		20206	(MT, Net Weight)
Production	40480	40480	48500	49370		39385	(MT, Net Weight)
Imports	925	900	450	1100		1000	(MT, Net Weight)
TOTAL SUPPLY	54005	53980	62431	63951		60591	(MT, Net Weight)
Exports	14743	14499	25000	15745		15000	(MT, Net Weight)
Domestic Consumption	25781	26000	26000	28000		29000	(MT, Net Weight)
Ending Stocks	13481	13481	11431	20206		16591	(MT, Net Weight)
TOTAL DISTRIBUTION	54005	53980	62431	63951		60591	(MT, Net Weight)

The indicated decline in canned pear production for MY 2004/05 is due to a lower production of fresh pears and high ending stocks.

Fuelled by subsidies, production of the most popular canning variety, *Williams*, in the last few years has risen dramatically as follows:

Year	1998	1999	2003	2004
Williams production (ton)	3,150	4,190	48,213	38,960

Consumption-Canned Pears

According to trade sources, Spanish consumption of canned pears has been growing about at the same rate as the increase in population.

Trade of Canned Pears

Export Trade Matrix**Country** Spain**Commodity** Pears, CannedTime Period **My/Jun/M** Units: **Metric Ton** ForecastExports for: **2001** **2002** 2003

U.S. 2379 U.S. 377 275

Others Others

Germany	4683		4185	4200
France	4627		3696	4300
Italy	696		1068	1200
UK	1891		717	870
Netherlands	902		549	700
Austria	495		604	650
Denmark	451		563	550

Total for Others 13745 11382 12470

Others not Listed **4658** **2740** **3000**

Grand Total 20782 14499 15745

Country Spain**Commodity** Pears, CannedTime Period **MY/Jun/Ma** Units: **Metric Ton** ForecastImports for: **2001** **2002** **2003**

U.S. 0 U.S. 0 0

Others Others

Germany	286		451	260
China			218	500
Netherlands			30	20
Belgium			18	

Total for Others 286 717 780

Others not Listed **168** **183** **320**

Grand Total 454 900 1100

Imports from China have caused a major concern among Spanish producers.

Policy-Canned Pears

	Spanish Processing threshold (Tons)	Aid for processing (euros/ton)	Penalties %	Price for processing pears (euros/ton)	Total payment received by farmers
MY2004/05	35,199	130.09	19.5	130	160.09
MY2003/04	35,199	158.08	2.24	190	348.08